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1.0 General Report Overview

The Medicaid Contract Reconciliation and Cash Settlement (CRCS) worksheet provides a mechanism to close out the financial components of the Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Contract (contract). The worksheet will be used in evaluating any remaining financial obligations due to the Prepaid Inpatient Health Plan (PIHP) or the Michigan Department of Community Health (MDCH). The financial information reflected in the report should represent revenue and expenditures on an accrual basis of accounting through the fiscal year (FY) ending September 30th and recorded as specified in the contract.

The CRCS worksheet will be utilized in tandem with the Medicaid Contract Settlement Worksheet. The Medicaid Contract Settlement Worksheet will be utilized to identify the specialty managed care capitation payments (1915(b)/(c) and Healthy Michigan) received by the PIHP, if a forced lapse exist, the maximum Medicaid savings / Medicaid lapse and verification that prior year Medicaid savings has been utilized or has approval from the MDCH to utilize in a future fiscal year. Please refer to the instructions for the Medicaid Contract Settlement Worksheet for further details.

The CRCS worksheet summarizes the resources and expenditures associated to the contract, the disposition of funding (surplus/deficit) and the cash settlement of the contract.

2.0 Report - Due Dates

Refer to the reporting grid incorporated in Attachment P.7.8.1 of the Contract for identification of report due dates. The reporting grid can be found on the MDCH website: http://www.michigan.gov/mdch/0,4612,7-132-2941_38765---,00.htm

3.0 Report Submission

3.1 Report Submitted via US Mail

This is no longer applicable. Electronic report submission required.


3.2 Report Submission – Electronic

The report should be submitted electronically to the department by the due date identified in 2.0 above at MDCH-MHSA-Contracts-MGMT@michigan.gov.

The report's file name must identify the reporting fiscal year, period covered (submission type), agency name, report title and date of submission. Example: For the FY 13 Year End Interim submitted from network180 for the Medicaid CRCS, the file name should read **FY13 Year End Interim network180 FSR Bundle 11-10-2013**.

Note: The Medicaid CRCS is included in the FSR Bundle. It is not a stand-alone report.

Refer to the Electronic Report Submission Guidelines for report submission specifications.

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4.0 Report Specific Navigation or Terminology

The CRCS worksheet includes cell shading to assist the end user with completion of the form.

Worksheet headers are shaded in light green.

Cells requiring data entry are shaded in yellow.

Cells that are formula driven and should not have data entered are not shaded.

Worksheet protection has been enabled.

Precision as displayed functionality has been enabled. As such, Excel will utilize the displayed value instead of the stored value when it recalculates formulas.

The term "Submission Type" on the worksheet refers to the reporting period. i.e., Interim, Final, Projection.

Column headings are specific to each section of the worksheet and may change from section to section. The column headings are shaded to assist in identification.

5.0 Instructions for Completion of the Report

The PIHP name, Fiscal Year, Submission Type and Submission Date have been brought forward from the FSR – Medicaid.

5.1 Section 1 – Medicaid Services – Available Resources

This section represents the available resources for the services provided and authorized in the contract.

Section 1.a – State Plan (b) (FSR A 101)

The cell is formula driven. The formula is *plus FSR Medicaid row A 101*.

Section 1.a1 – DHS Incentive Payments (b) (FSR A 101a)


The cell is formula driven. The formula is *plus FSR Medicaid row A 101a*

Section 1.a2 – Other Incentive Payments (b) (FSR A 101b)

The cell is formula driven. The formula is *plus FSR Medicaid row A 101b*

Section 1.a3 – Autism Training Payments (b) (FSR A 101c)

The cell is formula driven. The formula is *plus FSR Medicaid row A 101c*.

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Section 1.b – State Plan (b3) (FSR A 102)

The cell is formula driven. The formula is *plus FSR Medicaid row A 102*.

Section 1.c – Habilitation Support Waiver (c) (FSR A 103)

The cell is formula driven. The formula is *plus FSR Medicaid row A 103*.

Section 1.d – Healthy Michigan Plan (FSR AI 120)

The cell is formula driven. The formula is *plus FSR Healthy Michigan row AI 120*.

Section 1.e – Total Managed Care Capitation

This cell represents the total of Specialty Managed Care capitation (1915(b)/(c) and Healthy Michigan) authorized in the contract with the MDCH. This cell is formula driven. The formula is *the sum of State Plan (b) (1.a), DHS Incentive Payments (b),(1.a1), Other Incentive Payments (b) (1.a2), Autism Training Payments (b) (1.a3), State Plan (b3) (1.b), Habilitation Support Waiver (c) (1.c), and Healthy Michigan Plan (1.d)*.

Section 1.f – 1st & 3rd Party Collections – Medicaid (FSR A 121)

The CMHSP is the payer of last resort and has the responsibility to identify and seek recovery from all other parties for services provided to recipients. This cell represents the funding available from 1st and 3rd party collections that are not included in the Special Fund Account authorized in Section 226a (PA 423) of the Mental Health Code (MHC) that was utilized to fund specialty managed care services at the PIHP The cell is formula driven. The formula is *plus FSR Medicaid row A 121*.

Section 1.f.1 – 1st & 3rd Party Collections – Healthy Michigan (FSR AI 121)


The CMHSP is the payer of last resort and has the responsibility to identify and seek recovery from all other parties for services provided to recipients. This cell represents the funding available from 1st and 3rd party collections that are not included in the Special Fund Account authorized in Section 226a (PA 423) of the Mental Health Code (MHC) that was utilized to fund specialty managed care services at the PIHP The cell is formula driven. The formula is *plus FSR Healthy Michigan row AI 121*.

Section 1.g – Prior Year Medicaid Savings (FSR A 123 & FSR AI 123)

This cell represents the amount of earned Medicaid savings from prior FY(s) that is being utilized to fund current FY expenditures. The cell is formula driven. The formula is *plus FSR Medicaid row A 123 and FSR Healthy Michigan row A123*.

Section 1.h – ISF Abatement – Medicaid (FSR A 124 & FSR AI 124)

This cell represents the amount of ISF abatement that is being utilized in support of current year specialty managed care service expenditures due to over funding of the Internal Service Fund. The cell is formula driven. The formula is *plus FSR Medicaid row A 124 and FSR Healthy Michigan row AI 124*.

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Section 1.i – Redirected CMHSP to CMHSP Contracts (FSR A 302 & FSR AI 302)

This cell represents the amount of funding available from the CMHSP to CMHSP Contracts utilized in support of current year specialty managed care service (1915(b)/(c) and Healthy Michigan) expenditures. Any surplus funding from CMHSP to CMHSP contracts entered here must be associated to consumers who are Medicaid eligible. The cell is formula driven. The formula is *plus FSR Medicaid row A 302 and FSR Healthy Michigan row AI 302*).

Section 1.j – Redirected Non-MDCH Earned Contracts (FSR A 303 & FSR AI 303)

This cell represents the amount of funding available from the Non-MDCH Earned Contracts utilized in support of current year specialty managed care service (1915(b)/(c) and Healthy Michigan) expenditures. Any surplus funding from Non-MDCH Earned Contracts entered here must be associated to consumers who are Medicaid eligible. The cell is formula driven. The formula is *plus FSR Medicaid row A 303 and FSR Healthy Michigan row AI 303*).

Section 1.k – Sub-Total Other Medicaid Services - Resources

This cell represents the sub-total of other Medicaid services resources available to fund current year expenditures. This cell is formula driven. The formula is the *sum of 1st & 3rd Party Collections (1.f), 1st & 3rd Party Collections - HMP (1.f.1), Prior Year Medicaid Savings (1.g), ISF Abatement – Medicaid (1.h), Redirected CMHSP to CMHSP Contracts (1.i) and Redirected Non-MDCH Earned Contracts (1.j)*.

Section 1.l – Total Medicaid Services – Available Resources

This cell represents the total Medicaid services resources available to fund current year expenditures. This cell is formula driven. The formula is *plus Total Managed Care Capitation (1.e) plus Sub-Total Other Medicaid Services - Resources (1.k)*.

5.2 Section 2 – Medicaid Services – Expenditures


This section represents the expenditures for services provided and authorized in the contract for the fiscal year being settled

Section 2.a – PIHP HICA / USE Tax (FSR A 201)

This cell represents the amount of HICA / Use tax expenditures. The cell is formula driven. The formula is *plus FSR Medicaid row A 201*.

Section 2.a.1 – PIHP HICA / USE Tax – Healthy Michigan Plan (FSR AI 201)

This cell represents the amount of HICA / Use tax expenditures. The cell is formula driven. The formula is *plus FSR Healthy Michigan row AI 201*.

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Section 2.b – Medicaid Services (FSR A 202 – A 122 – A 325))

This cell represents the amount of expenditures related to Medicaid consumers as authorized in Part II, Section 2.0 - Supports and Services of the contract. The cell is formula driven. The formula is *plus FSR Medicaid row A 202 – Medicaid Services less A 122 – 1st & 3rd Party Collections – Medicare/Medicaid Consumers – Affiliate less A 325 Info Only – Affiliate Total Redirected Funds*. Basically, the calculation removes affiliate costs from the total Medicaid Services costs. The result leaves, for Contract Reconciliation and Cash Settlement, only those costs contained in the PIHP general ledger.

Note: The amount of expenditures reported here related to the provision of services to Medicaid as authorized in the Contract.

Section 2.b.1 – Health Michigan Plan Services (FSR AI 202 – AI 122 – AI 325)

This cell represents the amount of expenditures related to Medicaid consumers as authorized in Part II, Section 2.0 - Supports and Services of the contract. The cell is formula driven. The formula is *plus FSR Healthy Michigan row AI 202 – Healthy Michigan Plan Services less AI 122 – 1st & 3rd Party Collections – HMP Consumers – Affiliate less AI 325 Info Only – Affiliate Total Redirected Funds*. Basically, the calculation removes affiliate costs from the total Healthy Michigan Plan Services costs. The result leaves, for Contract Reconciliation and Cash Settlement, only those costs contained in the PIHP general ledger.

Note: The amount of expenditures reported here related to the provision of services to the Healthy Michigan population as authorized in the Contract.

Section 2.c – Deposits into Medicaid ISF (FSR A 203 & FSR AI 203))


This cell represents the amount of expenditures related to a contribution (deposit) to the Medicaid ISF. All deposits into the ISF must meet the criteria established in the ISF Technical Requirement of the contract. The cell is formula driven. The formula is *plus FSR Medicaid row A 203 plus FSR Healthy Michigan row AI 203*.

Section 2.d – Psych Hospital HRA (FSR A.204)

This cell represents the amount of Psych Hospital HRA expenditures. The cell is formula driven. The formula is *plus FSR Medicaid row A 204*.

Section 2.e – Sub-Total Medicaid Services – Expenditures

This cell represents the total non-redirected Medicaid / Healthy Michigan Plan specialty managed care services expenditures. This cell is formula driven. The formula is the *sum of PIHP HICA / Use Tax Liability (2.a), PIHP HICA / Use Tax – Healthy Michigan Plan (2.a.1), Medicaid Services (2.b), Healthy Michigan Plan Services (2.b.1), Deposits into Medicaid/HMP ISF (2.c) and Psych Hospital HRA (2.d)*.

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Section 2.f – Redirected CMHSP to CMHSP Contracts (FSR A 301 & FSR AI 301)

This cell represents the amount of expenditures where Medicaid / Healthy Michigan funds are being utilized to supplement the cost of services under CMHSP to CMHSP contracts. All expenditures entered here must be associated to consumers who are Medicaid eligible. The cell is formula driven. The formula is *less FSR Medicaid row A 301 less FSR Healthy Michigan (AI 301)*.

Section 2.g – Total Medicaid Services - Expenditures

This cell represents the total Medicaid / Healthy Michigan Plan specialty managed care services expenditures. This cell is formula driven. The formula is the *Sub-Total Medicaid Services – Expenditures (2.e) plus Redirected CMHSP to CMHSP Contracts (2.f)*.

5.3 Section 3 – Net Medicaid Services Surplus / (Deficit)

This section calculates the variance between the Total Medicaid Services – Available Resources and the Total Medicaid Services – Expenditures to determine whether there is a contract surplus / deficit. The amount of forced lapse is then applied to calculate the net Medicaid contract surplus or deficit.

Section 3.a – Medicaid Funding Surplus / (Deficit)


This cell represents the difference between available resources and expenditures. The result indicates whether there is a funding surplus or deficit. The cell is formula driven. The formula is *plus Total Medicaid Services – Available Resources (1.1) less Total Medicaid Services – Expenditures (2.g)*.

Section 3.b – Less: Forced Lapse to MDCH

This cell represents the amount that must be lapsed back to the MDCH. Typically, forced lapse represents unspent funding provided to the PIHP by the MDCH for a specific purpose, project, and/or target population. The cell is formula driven. The formula is *plus Medicaid Contract Settlement Worksheet Section 2.a, amount column*. The amount of forced lapse will be displayed as a negative amount.

Section 3.c – Net Medicaid Services Surplus / (Deficit)

This cell represents the net Medicaid surplus or deficit after taking into consideration the available resources, expenditures and the forced lapse amount. The cell is formula driven. The formula is the sum of *Medicaid Funding Surplus / (Deficit) (3.a) and Less: Forced Lapse to MDCH (3.b)*.

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5.4 Section 4 – Disposition

This section represents the disposition of the contract surplus or contract deficit. For any contract surplus, the section will identify whether a Medicaid savings was earned and/or whether there was lapse to the MDCH. For any contract deficit, this section will identify whether the deficit was funded with general funds (requires prior approval from the MDCH), local, Stop/Loss Insurance and/or ISF funding for the PIHP portion of the risk corridor or from the MDCH for the State portion of the risk corridor as calculated on the Shared Risk Calculation & Risk Financing worksheet. The Shared Risk Calculation & Risk Financing worksheet assists in the determination of the PIHP and MDCH risk responsibility and financing of that risk.

Section 4.a – Surplus

This row is the label SURPLUS.

Section 4.a.1 – Transfer to Fund Balance – Medicaid Savings Earned

This cell represents the earned Medicaid savings for the current contract. The cell is formula driven. The formula is *less Medicaid Contract Settlement Worksheet, Section 3.c.6, Total Earned Savings column*. The amount of the transfer to fund balance will be displayed as a negative; thus showing how the PIHP is disposing of the “positive” surplus identified on 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.a.2 – Lapse to MDCH – Contract Settlement

This cell represents the contract settlement lapse to the MDCH. The cell is formula driven. The formula is *less Medicaid Contract Settlement Worksheet, Section 3.c.6, Total Lapse column*. The amount of the lapse to the MDCH will be displayed as a negative; thus showing how the CMHSP is disposing of the “positive” surplus identified in Section 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.a.3 – Total Disposition – Surplus


This cell is formula driven. The result indicates the total amount of Medicaid surplus that the PIHP had to account for. The amount will be displayed as a negative; thus showing how the PIHP is disposing of the “positive” surplus identified in Section 3.c – Net Medicaid Services Surplus / (Deficit). The Net Medicaid Surplus identified in Section 3.c should be offset by the amount displayed in this cell. The formula is *plus Transfer to Fund Balance – Medicaid Savings Earned (4.a.1) plus Lapse to MDCH – Contract Settlement (4.a.2)*.

Section 4.b – Deficit

This row is the label Deficit.

Section 4.b.1 – Redirected from General Fund (FSR A 331 & AI 331))

This cell represents the amount of redirected General Funds (GF) expenditures to fund all or a portion of the Net Medicaid Services Deficit identified in Section 3.c. This amount must have prior approval from the MDCH as part of the PIHP’s risk management plan. The cell is formula driven. The formula is *plus FSR Medicaid row A 331 plus FSR Healthy Michigan row AI 331*.

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The amount of funds redirected from GF should be entered as a positive number; thus showing how the PIHP is disposing of the “negative” deficit identified in Section 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.b.2 – Redirected from Local (FSR A 332 & FSR AI 332))

This cell represents the amount of local funds being utilized to fund all or a portion of the Net Medicaid Services Deficit identified in Section 3.c. The cell is formula driven. The formula is *plus FSR Medicaid row A 332 plus FSR Healthy Michigan row AI 332*.

The amount of funds redirected from local should be entered as a positive number; thus showing how the CMHSP is disposing of the “negative” deficit identified in Section 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.b.3 – Redirected Risk Corridor – PIHP Share (FSR A 333 & FSR AI 333)

This cell represents the amount of Stop/Loss Insurance and/or ISF funds being utilized to fund all or a portion of the Net Medicaid Services Deficit identified in Section 3.c. The cell is formula driven. The formula is *plus FSR Medicaid row A 333 plus FSR Healthy Michigan AI 333*.

The amount of ISF funds utilized should be entered as a positive number; thus showing how the PIHP is disposing of the “negative” deficit identified in Section 3.c – Net Medicaid Services Surplus / (Deficit).


Section 4.b.4 – Redirected Risk Corridor – MDCH Share (FSR A 334 & FSR AI 334)

This cell represents the amount of MDCH funds being utilized to fund the MDCH share of the Net Medicaid Services Deficit identified in Section 3.c. The cell is formula driven. The formula is *plus FSR Medicaid row A 334 plus FSR Healthy Michigan row AI 334*.

The amount of the MDCH risk corridor funds utilized should be entered as a positive number, thus showing how the PIHP is disposing of the “negative” deficit identified in Section 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.b.5 – Total Disposition – Deficit

This cell is formula driven. The result indicates the total amount of Medicaid deficit that the PIHP had to account for. The amount will be displayed as a positive; thus showing how the PIHP is disposing of the “negative” deficit identified in Section 3.c – Net Medicaid Services Surplus / (Deficit). The Net Medicaid Deficit identified in Section 3.c should be offset by the amount displayed in this cell. The formula is the *sum of Redirected from General Fund (4.b.1), Redirected from Local (4.b.2), Redirected Risk Corridor – PIHP Share (4.b.3) and Redirected Risk Corridor – MDCH Share (4.b.4)*.

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5.5 Section 4.1 Medicaid Savings Transferred To / From

Due to the reorganization of the PIHPs which created Regional Authorities effective January 1, 2014, the number of PIHPs that MDCH contracts with for the provision of services authorized in the Medicaid Managed Supports and Services Concurrent Waiver Programs Contract decreased from 18 PIHPs to 10 Regional Authorities / PIHPs. There will not be a Medicaid Savings calculation required for the three month contract ended 12/31/2013. Per contract section 13.0 Closeout the entire unspent Medicaid will be transferred to the new Regional Authorities / PIHPs. The purpose of this section is to document the transfers of the Medicaid Savings (unspent Medicaid) "to or from" the old PIHPs to the new entities.

Section 4.1.a, b, c, d, e – Medicaid Savings Transferred To / From

Enter in the column titled "Medicaid Savings Transferred To / From" the name(s) of the PIHPs that transferred Medicaid Savings (unspent Medicaid) to or from the reporting PIHP.

Enter in the column titled "Total Transferred" the amounts transferred to or from the reporting PIHP.

Section 4.1.f – Totals

This cell is formula driven. The formula is the *sum of rows 4.1.a, b, c, d, and e*.

5.6 Section 5 – Cash Settlement: (Due MDCH) / Due PIHP

This section identifies cash due the MDCH or the PIHP.

Section 5.a – Forced Lapse to MDCH

The amount in this cell represents the forced lapse to the MDCH. This cell is formula driven. The formula is *plus Less: Forced Lapse to MDCH (Section 3.b)*.

Section 5.b – Lapse to MDCH – Contract Settlement


The amount in this cell represents the lapse to the MDCH based on the contract settlement. This cell is formula driven. The formula is *plus Lapse to MDCH – Contract Settlement (Section 4.a.2)*.

Section 5.c – Risk Corridor – MDCH Share

The amount in this cell represents the funds due the PIHP for the MDCH share of the risk corridor. The cell is formula driven. The formula is *plus Redirected Risk Corridor – MDCH Share (4.b.4)*.

Section 5.d – Return of Prior Year Medicaid Savings

The Medicaid contract - Section 7.7.2 – Savings and Reinvestment outlines the contractual provisions regarding Medicaid savings. Typically any earned Medicaid Savings from the prior FY unexpended at the end of the fiscal year must be returned to the MDCH. However, if a final MDCH audit report creates new Medicaid savings, the PIHP will have one year following the date of the final audit report to expend the additional Medicaid savings.

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If for any reason the earned Medicaid savings was not utilized and the PIHP does not have the MDCH approval to retain, enter the amount of Medicaid savings that must be returned to the MDCH. This amount should be entered as a negative amount.

Section 5.e – Misc: (please explain)

This row should reflect any amounts due the MDCH or the PIHP that have not been specifically addressed else where in the CRCS. Enter any amount due the MDCH as a negative. Enter any amount due the PIHP as a positive.

If the narrative space available on this line is insufficient, please utilize the space available in Section 5 on the Medicaid Contract Settlement Worksheet.

Section 5.f – Misc: (please explain)

This row should reflect any amounts due the MDCH or the PIHP that have not been specifically addressed else where in the CRCS. Enter any amount due the MDCH as a negative. Enter any amount due the PIHP as a positive.

If the narrative space available on this line is insufficient, please utilize the space available in Section 5 on the Medicaid Contract Settlement Worksheet.

Section 5.g – Total Cash Settlement: (Due MDCH) / Due PIHP

This section represents the total amount due the MDCH or the PIHP. The cell is formula driven. The formula is the *sum of Forced Lapse to MDCH (5.a), Lapse to MDCH – Contract Settlement (5.b), Risk Corridor – MDCH Share (5.c), Return of Prior Year Medicaid Savings (5.d) and Misc. (5.e and 5.f).*

5.7 Section 6 – Medicaid MDCH Commitment


This section of the report recaps the amount of funding committed by the MDCH for the FY being settled.

Section 6.a – MDCH / PIHP Medicaid Funded Expenditures

This section recaps the MDCH funding commitment for Medicaid / Healthy Michigan expenditures based on the total Managed Care (1915(b)/(c) and Healthy Michigan) capitation. This section is formula driven. The formula is *plus Total Managed Care Capitation (1.d), plus the negative representation of Transfer to Fund Balance – Medicaid Savings Earned (4.a.1), plus the negative representation of Forced Lapse to MDCH (3.b), plus the negative representation of Lapse to MDCH – Contract Settlement (4.a.2).*

Section 6.b – Earned Medicaid Savings

This section recaps the Medicaid Savings earned. This section is formula driven. The formula is *less the negative representation of Transfer to Fund Balance – Medicaid Savings Earned (4.a.1).*

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Section 6.c – Sub-Total MDCH Commitment

This section recaps the MDCH commitment based on the total Managed Care capitation. This section is formula driven. The formula is the sum of *MDCH /PIHP Medicaid Funded Expenditures (6.a) and Earned Medicaid Savings (6.b)*.

Section 6.d – Risk Corridor – MDCH Share

This section recaps the MDCH share of the Risk Corridor. This section is formula driven. The formula is *plus Redirected from Risk Corridor – MDCH Share (4.b.4)*.

Section 6.e – Total MDCH Medicaid Commitment

This section recaps the total MDCH Medicaid commitment. This section is formula driven. The formula is *plus Sub-Total MDCH Commitment (6.c) plus Risk Corridor – MDCH Share (6.d)*.

Section 6.f – General Fund Supplement for Unfunded Medicaid

This section recaps the amount of GF supplementing unfunded Medicaid. This section is formula driven. The formula is *plus Redirected from General Fund (4.b.1)*.

5.8 Section 7 – Report Certification

Effective with version 2013-2, the certification of the CRCS should be completed utilizing the Report Certification form. Please refer to the Report Certification & Electronic Report Submission Guidelines.